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AQUILINEBYE-9443-72
Copy 6 of 143.3(h)(2)
3.5(c)

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Request for Funds for Closeout of AQUILINE Contract
with McDonnell Douglas Astronautics Company

REFERENCE: Memo for DCI from DDS&T, dated 1 November 1971;
Subject: Termination of Project AQUILINE
(BYE-6507-71, Attachment I)

1. This memorandum contains a request for the approval of the Director of Central Intelligence. The specific request is contained in paragraph 6.

2. In accordance with the directive received from the Executive Director-Comptroller (reference memorandum), the AQUILINE Program was extended through 15 November 1971 with the funds previously authorized - \$ [] through 7 November and \$ [] through 15 November. Effective 12 November, MDAC was notified that all planned contract activity was to cease and they were to prepare their program closeout bid for presentation and negotiation. On 22 and 23 November, negotiations were conducted at MDAC which covered: program closeout costs and time; the determination of contract incentive bonuses allowable under the incentive clauses of the contract; MDAC fee and associated other open items remaining on Contract []

3. Attachment II is the negotiated MDAC proposal for program closeout in the amount of \$ []. In addition to this closeout bid, it was determined that MDAC was due and should be awarded \$ [] as incentive payment for satisfactory completion of the tasks as stipulated in Contract [] incentive clauses. Therefore, of the \$ [] authorized by the Executive Director-Comptroller for terminating the MDAC efforts, only \$ [] will be required (\$ [] for the contract extension 7 through 15 November and \$ [] for closeout costs). The following table presents the total picture on the results of the 22 and 23 November negotiations:

Event or Activity

Contract Value at 30 September 1971 (Less Fee)	\$ []
Contract Extension Thru 31 October 1971	[]
Contract Extension Thru 7 November 1971	[]
Contract Extension Thru 15 November 1971	[]

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downgrading and
declassification

DD/S&T
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Event or Activity

Contract Value 15 November (Less Fee)	\$	
MDAC Expenditures and Commitments Thru 15 November		
Contract Funds Available at 15 November	\$	
Fee Thru July 31, 1971 as Negotiated		
22 November	\$	
Fee July 31 Thru 15 November as		
Negotiated 22 November		
Total Negotiated Fee	\$	
Minus 22 November Disallowed		
Costs (Material handling, ops		
hourly increase at Field Site, etc.)		
Subtotal	\$	
Balance of Contract Funds Available at 15 November		
(Funds of \$ Minus Fee of \$)		
Contract Closeout Cost (At No Fee)	\$	
Incentive Bonus		
Subtotal	\$	
Additional Funding Required for Closeout and		
Incentives (\$ Minus \$ of		
Available Funds)	\$	

4. It is anticipated that all closeout actions of MDAC Contract will be completed not later than 15 February 1972.

5. Contract monitor for this closeout program will be . Security classification of this contract will remain SC-1.

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6. It is specifically requested that you authorize the expenditure of funds in the amount of \$188,700.00 for the purpose of closing out Contract and payment of incentive bonuses of that contract.

CARL E. DUCKETT
Deputy Director
for
Science and Technology

Attachments:
I and II As Stated

SIGNATURE RECOMMENDED:

Director of Special Activities *✓*

The request contained in
paragraph 6 is approved:

151

Director of Central Intelligence

1 FEB 1972

Date

28 Feb 72

Date

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DPM/AQUI/OSA [REDACTED] (2 December 1971)
Distribution:

- Orig - DPM/AQUI/OSA (w/atts)
- 2 - DDCI (w/atts)
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- 6&7 - DDS&T Registry (w/o atts)
- 8 - SA/DDS&T (w/atts)
- 9 - PMS/ORD (w/atts)
- 10 - O/PPB/DDS&T (w/atts)
- 11 - D/SA (w/atts)
- 12 - C/B&FD/OSA (w/atts)
- 13 - CMD/OSA (w/atts)
- 14 - RB/OSA (w/o atts)

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(specify)

REQUEST TO PROCUREMENT DIVISION FOR SERVICES
(other than property or building maintenance and repairs)

DD/OSA/T#

OFFICE/DIV/BR DDS&T/OSA/AQUI	REQUEST NO. [REDACTED]	DATE OF REQUEST [REDACTED]	I CERTIFY THAT FUNDS IN THE ESTIMATED AMOUNT OF \$ [REDACTED] AVAILABLE CHARGE TO FAN [REDACTED] SIGNATURE OF BUDGET OFFICER [REDACTED] DATE [REDACTED]	
PROJECT TITLE AQUILINE	EXTENSION B- 5682 R- 229			
CONTRACTOR (if known) McDonnell Douglas Astronautics Company		PROPOSAL NO. AND DATE 24 Nov 1971	CONTRACT & TASK ORDER NO. (if known) [REDACTED]	
TYPE OF SERVICE REQUESTED <input checked="" type="checkbox"/> RESEARCH/DEV <input type="checkbox"/> GRANT <input type="checkbox"/> REPAIR <input type="checkbox"/> MAINTENANCE <input type="checkbox"/> MODIFICATION		APPLICABLE ONLY TO REPAIRS AND MODIFICATIONS TECHNICAL INSPECTION IS REQUIRED BY <input type="checkbox"/> RECEIVING DEPOT T & I <input type="checkbox"/> TECHNICAL MONITOR <input type="checkbox"/> ITEMS TO BE PICKED UP OR <input type="checkbox"/> SERVICES PERFORMED AT: ITEMS TO BE REDELIVERED TO:		
STERILITY <input type="checkbox"/> SC 0 <input checked="" type="checkbox"/> SC 1 <input type="checkbox"/> SC 2	CONTRACT CLASSIFICATION SECRET	WORK CLASSIFICATION SECRET	HARDWARE CLASSIFICATION SECRET	REPORTS CLASSIFICATION SECRET

SHORT SUBSTANTIVE TITLE AND/OR DESCRIPTION OF SERVICE TO BE PERFORMED

Closeout of MDAC Contract [REDACTED]

Total Closeout Cost After Negotiation **\$188,700.00**

(See reverse for specific information
required on R&D requests)

DESIGNATION		APPROVAL SIGNATURE	DATE
D/SA		[REDACTED]	25 JAN 1972
A DDS&T			3 FEB 1972
Ex.Dir.-Compt.			28 FEB 1972
PROCUREMENT DIVISION USE			
DATE RECEIVED IN PD	RECORDED BY	SECTION ASSIGNED TO	NEGOTIATOR

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ATTACHMENTS OR STATEMENTS

☒

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(Specify)

1. JUSTIFICATION FOR SOURCE SELECTION

N/A

2. PROPOSAL

3. DELIVERABLE ITEMS

REPORTS REQUIRED

NO. OF COPIES

☐

MONTHLY

☐

INTERIM

☐

QUARTERLY

☒

FINAL

HARDWARE (state type and number)

A11 GFE and Contract Purchased Equipment

OTHER

A11 Program Documentation

4. GFE REQUIRED

None

5. SPECIAL INSTRUCTIONS

All Program assets, hardware, documentation, GFE, etc. at contractor's Huntington Beach facility will be packaged and shipped to Area 51 for semi-permanent storage.

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(Specify)

REFERRED TO OFFICE	RECEIVED			RELEASED		SEEN BY	
	SIGNATURE	DATE	TIME	DATE	TIME	NAME & OFFICE SYMBOL	DATE
DCI							
				11/12/71			

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 cleared for the specific projects;

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BYE-6507-71

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MEMORANDUM FOR: Director of Central Intelligence

SUBJECT: Termination of Project AQUILINE

1. You will recall that following my preliminary report to you on the status of AQUILINE, you gave me guidance to terminate the program because of the high costs needed in FY 72 and 73 to reach operational readiness. We have completed our study of how termination might best be accomplished, and this memorandum defines two options for your consideration. My recommendation is contained in paragraph 4.

2. Option I provides for the immediate termination of the project and storage of all assets. Under this option, there would be no further expenditures of funds for aircraft construction, testing, final reports or program documentation. It will take about two months and \$ [] to implement this option. An additional \$ [] would allow full program and technical documentation to be accomplished during the termination period, which would provide the basis for reactivation and use at some later date by this or some other organization. Under the original contract, MDAC is also due approximately \$ [] for payment of incentives on that contract. Therefore, the total cost of this option would be \$ [] or, if program documentation is desired, \$ [].

3. Option II would provide for a four months' termination period and would cost \$ [] about \$ [] more than Option I. During this period several flight tests would be conducted using the in-plant test facilities and field test assets now in being. It would also provide full technical documentation. The flight tests would be conducted at Area 51 over a test range instrumented with simulated Soviet air defense radars to define radar detectability and with observers and sensors, to determine

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visual and aural detectability. Additionally these tests would give us a better understanding of some of the more important technology such as navigation and command control. I feel sure we will want to use some of these developed items in other Agency programs.

4. I would like to put the AQUILINE technology on the "shelf" in a way that would satisfy us all that we have tied all the loose ends together and have made it available for confident assessment for future uses. I therefore recommend Option II. We had budgeted \$ [] for the program this year, of which \$ [] remains unobligated.

5. This recommendation for termination would not be complete without reference to the fact that we still have an important need for a technique for deep penetration for covert emplacement and technical intelligence collection. We therefore would like to continue to explore ways to exploit some of the AQUILINE technology and other system concepts for using this technology. With your permission, we will from time to time be proposing the expenditure of relatively small amounts of money in these areas.

[]
Carl E. Duckett
Deputy Director
for

Science and Technology

*D & I has approved Option I.
I understand \$8,000 was authorized
to carry the project thru to 12 Nov 71.
However, the total amount authorized
for final termination is []*

2

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*Ex. Dir. - Comp
12 Nov 71*

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5301 Bolsa Avenue, Huntington Beach, CA 92647 (714) 896-3311

ROUTING

JWC

JCS

KB

RH

JS

NOV 24 1971

Subject: CONTRACT [] FIRM CPFF PROPOSAL FOR
PROGRAM CLOSEOUT

Reference: []

Dear Sir:

Pursuant to prior discussions with the Contracting Officer and in reply to reference TWX, the Contractor is transmitting herewith his firm CPFF proposal covering closeout activities of subject Contract. This proposal consists of an estimated cost of \$ []. Details of this proposal are contained in the enclosure.

The Contractor has prepared this proposal assuming it is additive to the baseline Aquiline Program effort which was concluded on 12 November 1971. Closeout activities were initiated, per Customer direction, on 15 November 1971.

Contracts-Program Control
Special Programs

CHC:pr

Enclosure as noted

cc: []/Program Manager, w/Enclosure

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MCDONNELL DOUGLAS

DOCUMENT CONTROL

NO. 6064 Copy No. 1

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FIRM CPFF PROPOSAL

FOR

PROGRAM CLOSEOUT

Prepared Under Contract Number

By

McDonnell Douglas Astronautics Company
Western Division

McDonnell Douglas Corporation
Huntington Beach, California

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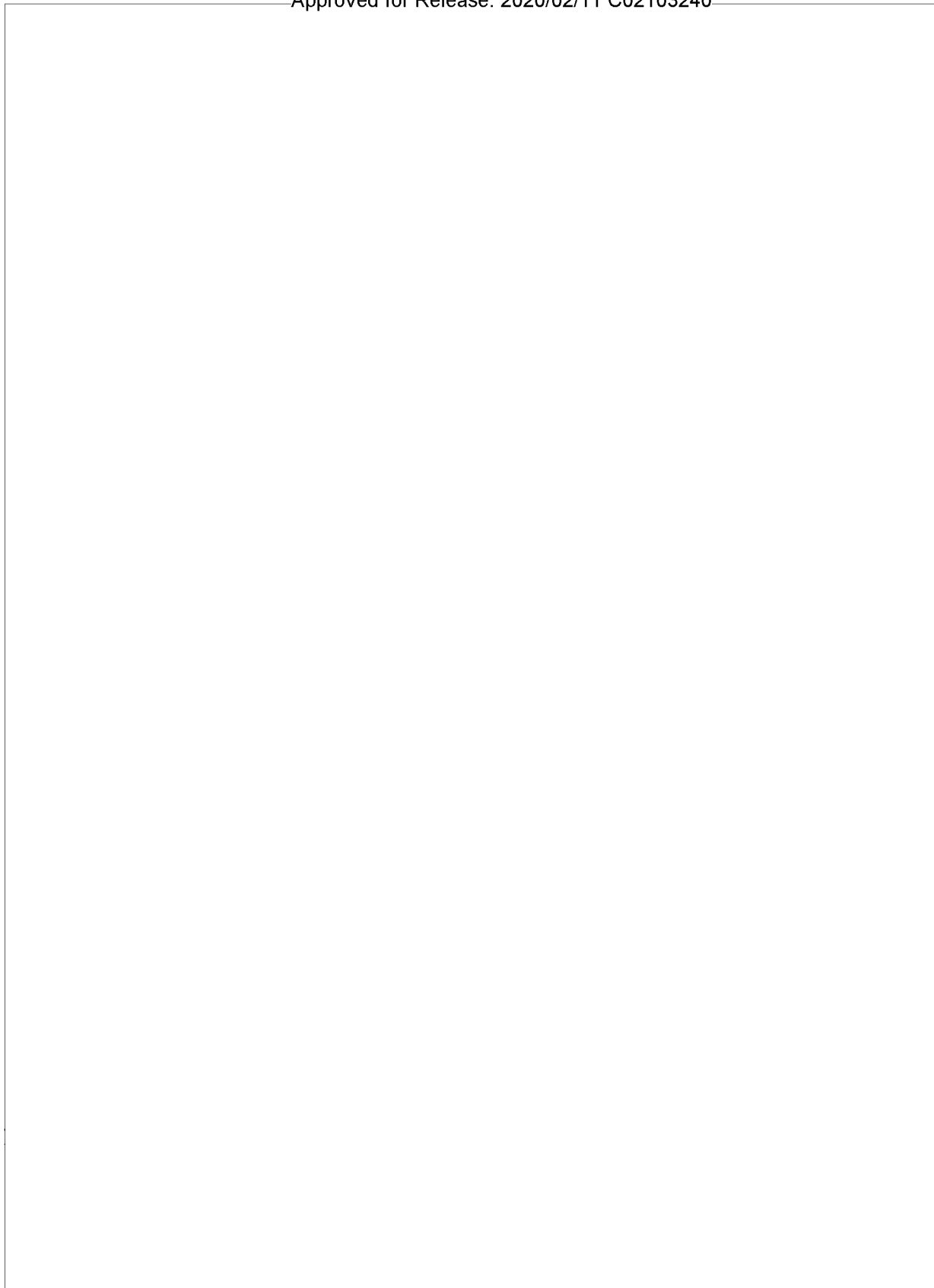
SECTION 1



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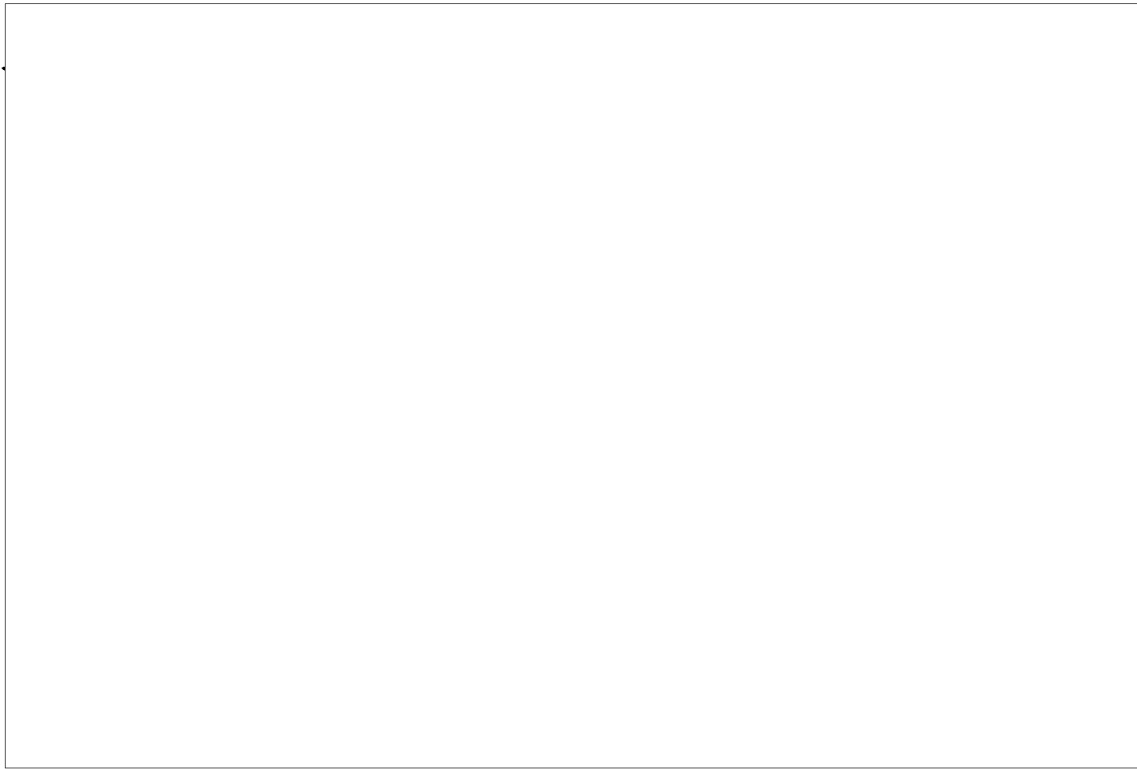


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SECTION 4
COST PROPOSAL

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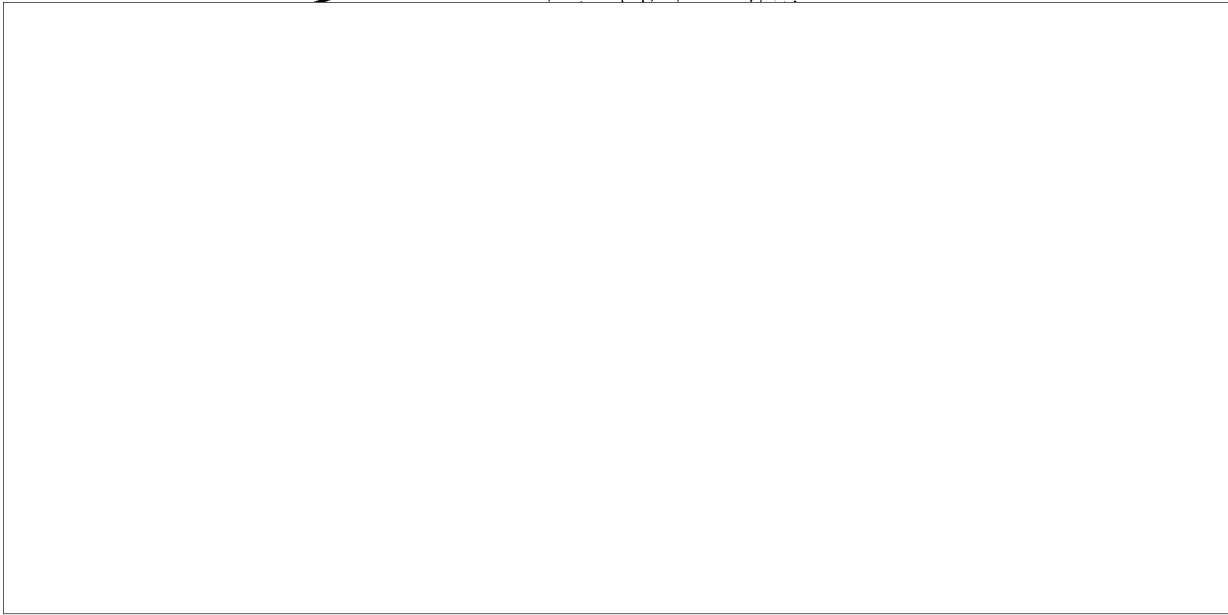
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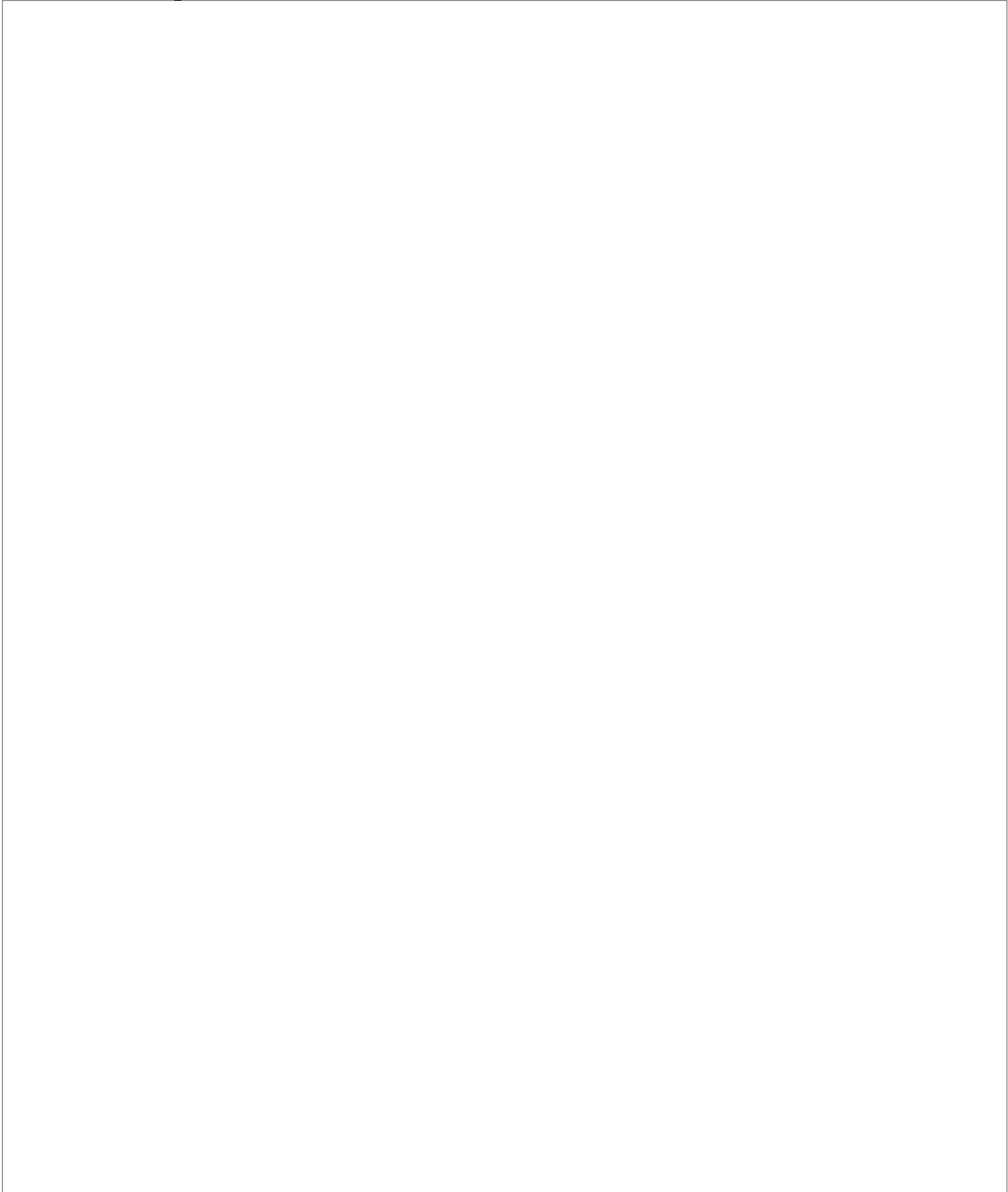


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